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*The working of the Russellkonda Saw Mill.*

*203 *Q.*—Rao Bahadur C. V. S. NARASIMHA RAJU: Will the hon. the Home Member be pleased—

(*a*) to state whether the Russellkonda Saw Mill is working at a profit or loss at present; and

(*b*) to place on the table the latest audit accounts available?

*A.*—(*a*) & (*b*) The profit for the year ending 31st March 1925 was Rs. 1,894-12-4. The accounts will be placed on the table shortly.

Sriman SASIBHUSHAN RATH Mahasayo:—"What is the basis on which the profit of Rs. 1,894-12-4 was derived; is it the same as that of last year?"

The hon. Khan Bahadur MUHAMMAD USMAN SAHIB Bahadur:—"I want notice of the question."

*The work of the Russellkonda Saw Mills.*

*204 *Q.*—Mr. G. RAMESWARA RAO: Will the hon. the Home Member be pleased to state—

(*a*) whether Russellkonda Saw Mills worked at a total loss of Rupees 36,000 in 1923-24;

(*b*) whether any improvement has since been found in the working of the mills as regards (i) cost of its working, (ii) sale price of timber, (iii) reduction of establishment, (iv) finding new and better markets, (v) demand for timber;

(*c*) whether the cost price is taken as the basis of valuation of stock in hand or market price in all the balance sheets of these mills prepared by Messrs. Fraser & Ross and whether it is so done in all balance sheets and profit and loss accounts prepared by them for the Government in all commercial concerns; and

(*d*) whether it is proposed to close the mills now and, if not, whether the vote of the House would be taken in the matter?

*A.*—(*a*) Yes according to the accounts published in G.O. No. 176, Development, dated 3rd February 1925; but with reference to the instructions issued in that order the interest charged on the capital invested has been reversed and various other adjustments made. The accounts as revised show a net loss of Rs. 6,059-5-5 for the year 1923-24.

(*b*) (i) The cost of production per cubic foot has fallen from Rs. 1-6-0 in 1923-24 to Rs. 1-2-10 in 1924-25.

(ii) No. Prices have fallen.

(iii) No.

(iv) No.

(v) No. There is still a slump in the Calcutta timber market.

(*c*) In the case of the Russellkonda Saw Mills stocks are valued at the actual cost of conversion based on the rate at which timber is supplied to the mills, viz., 4 annas per cubic foot. In the case of other commercial concerns stocks are valued at cost or

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market price whichever is less except in the case of the Government Fisheries Cannery, Chaliyam, where selling rates are below cost and where stocks are valued at two-thirds of the selling rate.

(*d*) The question is under the consideration of Government. The mill is closed temporarily owing to accumulation of stock.

Mr. T. ADINARAYANA CHETTIYAR :—" With reference to the answer to clause (*b*), may I know whether Government enquired and found out why they cannot sell this timber in the Calcutta market or whether any other country supplies them, and, if so, whether it is of a better quality than that supplied by the Russellkonda Saw Mill ? "

The hon. Khan Bahadur MUHAMMAD USMAN SAHIB Bahadur :—" We do not sell any sleepers at all."

Sriman SASIBHUSHAN RATH Mahasayo :—" With reference to clause (*a*), may I know why the interest charged on the capital invested has been reversed ? "

The hon. Khan Bahadur MUHAMMAD USMAN SAHIB Bahadur :—" I want notice of the question."

Sriman SASIBHUSHAN RATH Mahasayo :—" With reference to clause (*a*), may I know why there is this difference in the system of valuation of stocks between the Russellkonda Saw Mills and other commercial concerns ? "

The hon. Khan Bahadur MUHAMMAD USMAN SAHIB Bahadur :—" We pay more for the timber we get for we get the best timber."

Sriman SASIBHUSHAN RATH Mahasayo :—" May I know whether 4 annas covers the cost of timber all together ? "

The hon Khan Bahadur MUHAMMAD USMAN SAHIB Bahadur :—" It does not cover the cost entirely."

Sriman BISWANATH DAS Mahasayo :—" With reference to clause (*c*), may I know how this 4 annas will cover the cost of timber ; because yesterday in answer to question we were told that the cost of felling and carting alone exceeded 8 annas ? "

The hon. Khan Bahadur MUHAMMAD USMAN SAHIB Bahadur :—" If the hon. Member writes to me, I shall give him the necessary information."

Rao Bahadur C. V. S. NARASIMHA RAJU :—" Does it include seigniorage charges also to the Government ? "

The hon. Khan Bahadur MUHAMMAD USMAN SAHIB Bahadur :—" There are no such charges at all."

*Sale of ' sal logs ' to the Russellkonda Saw Mill.*

* 205 *Q.*—Sriman SASIBHUSHAN RATH Mahasayo : Will the hon. the Home Member be pleased to state—

(*a*) the average rate at which sal logs are sold to the Russellkonda Saw Mill ;

(*b*) the average rate at which sal logs are sold to private purchasers at Russellkonda ;